GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1801
ANSWERED ON:08.03.2016
Insurance Mechanism
Chandrappa Shri B.N.;Kateel Shri Nalin Kumar;Suresh Shri Doddaalahalli Kempegowda

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the Government has taken note that there is no mechanism put in place to provide adequate insurance and compensation to farmers in case of crop failure due to natural calamities;

(b) if so, the details thereof;

(c) whether the Government is aware that there is an urgent need to introduce a better compensation and insurance mechanism to provide calamity and disaster relief to retain farmers in the profession of agriculture; and

(d) if so, the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): Mechanism to provide assistance/ relief/ claims to farmers in case of crop failure due to natural calamities already exists. State Governments have ready availability of funds in their State Disaster Response Fund (SDRF) which is shared by the Central and concerned State Government in the ratio of 75: 25 for General Category States & 90:10 for 11 Special Category States viz. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura for relief measures due to natural calamities like drought, hailstorm, pest attack etc. The Government of India extends financial, logistic and other support. Additional assistance, over and above the SDRF, is considered from the National Disaster Response Fund (NDRF) for natural calamities of severe nature in accordance with the established procedure and keeping in view the items and norms for assistance. Distribution of relief to the farmers is undertaken by the State.

Contdâ€¦2/-

In addition, to provide comprehensive risk coverage against crop loss due to natural calamities, pests & diseases and adverse weather conditions in respect of notified crops in notified areas, crop insurance schemes viz. National Crop Insurance Programme (NCIP) with its three components namely, (i) Modified National Agricultural Insurance Scheme (MNAIS), Weather Based Crop Insurance Scheme (WBCIS) & Coconut Palm Insurance Scheme (CPIS) and the National Agricultural Insurance Scheme are being implemented. Claims under these schemes are worked out and paid as per provisions of the respective schemes.

To make the assistance process farmer friendly, Government has recently revised the items and norms of assistance under SDRF and NDRF for natural disasters. In the revised norms, the assistance amount to farmers has been enhanced by 50% and crop loss area of 33% & above has been made eligible for giving assistance under SDRF/NDRF. Similarly, after detailed discussions with stakeholders, Government has recently approved a new crop insurance scheme namely, Pradhan Mantri Fasal Bima Yojana (PMFBY) for implementation in the Country from Kharif 2016 season. PMFBY is a marked improvement over the earlier schemes on several counts and provides for comprehensive risk coverage from pre-sowing to post-harvest losses. The salient features of PMFBY are annexed.

Premium rates payable by farmers, selection of insurance company & administrative and operational structure of Weather Based Crop Insurance Scheme (WBCIS) have also been rationalized and brought at par with PMFBY.